

**ANNEX "A" (DETAILS OF VESSEL OR VESSELS) TO
THE BALTIC AND INTERNATIONAL MARITIME COUNCIL (BIMCO)
STANDARD SHIP MANAGEMENT AGREEMENT - CODE NAME: "SHIPMAN 98"**

Date of Agreement:

09/01/06

Name of Vessel(s):

MT Symphony M

Particulars of Vessel(s):

Built: 1983, by Asakava Ship Building Japan

Panama Flag

Registered in Valletta, Malta

Call Sign: 3FSM9

IMO Nr.: 8216681

Class: N.K.K

GT/NT: 6,481/3,624

DWT: 10,885 MT

LOA: 123.63m, Beam: 18.20m

Printed by BIMCO's Idea

This document is a computer generated SHIPMAN 98 form printed by authority of BIMCO. Any insertion or deletion to the form must be clearly visible. In the event of any modification made to the pre-printed text of this document which is not clearly visible, the text of the original BIMCO approved document shall apply. BIMCO assumes no responsibility for any loss, damage or expense as a result of discrepancies between the original BIMCO approved document and this computer generated document.



**ANNEX "B" (DETAILS OF CREW) TO
THE BALTIC AND INTERNATIONAL MARITIME COUNCIL (BIMCO)
STANDARD SHIP MANAGEMENT AGREEMENT - CODE NAME: "SHIPMAN 98"**

Date of Agreement:

09/01/06

Details of Crew:

Numbers	Rank	Nationality
1	MASTER	GREEK
1	CH.OFFICER	GREEK
1	2 ND MATE	RUSSIAN
1	3 RD MATE	RUSSIAN
1	CH. ENGINEER	GREEK
1	2 ND ENGINEER	GREEK
1	3 RD ENGINEER	RUSSIAN
1	4 TH ENGINEER	RUSSIAN
1		
1	EL/CIAN	RUSSIAN
1	BOSUN	RUSSIAN
1	PUMPMAN	RUSSIAN
1	A.B.	RUSSIAN
1	A.B.	RUSSIAN
1	A.B.	RUSSIAN
1	O.S	RUSSIAN
1	MOTORMAN	RUSSIAN
1	MOTORMAN	RUSSIAN
1	MOTORMAN	RUSSIAN
1	FITTER	RUSSIAN
1	COOK	RUSSIAN
1	AS.STEWARD	RUSSIAN

This document is a computer generated SHIPMAN 98 form printed by authority of BIMCO. Any insertion or deletion to the form must be clearly visible. In the event of any modification made to the pre-printed text of this document which is not clearly visible, the text of the original BIMCO approved document shall apply. BIMCO assumes no responsibility for any loss, damage or expense as a result of discrepancies between the original BIMCO approved document and this computer generated document.

**ANNEX "C" (BUDGET) TO
THE BALTIC AND INTERNATIONAL MARITIME COUNCIL (BIMCO)
STANDARD SHIP MANAGEMENT AGREEMENT - CODE NAME: "SHIPMAN 98"**

Date of Agreement:

09/01/06

Managers' Budget for the first year with effect from the Commencement Date of this Agreement:

CREW WAGES	\$930,000
MARINE INSURANCES	\$45,000
P&I AND DEFENSE	\$85,000
STORES (DECK, ENGINE, CABIN, BONDED	\$90,000
REPAIRS / MAINTENANCE	\$100,000
CREW REPLACEMENT AND OTHER EXPENSES INCLUDING MEDICAL	\$30,000
VICTUALLING	\$60,000
FLAG EXPENSES	\$10,000
SPARES	\$70,000
RADIO	\$15,000
GENERAL SUPPLY EXPENSES, OPA 90, VESSELS INSPECTIONS	\$10,000
LUBRICANTS	\$40,000
MANAGEMENT	\$250,000
UNFORSEEN	\$10,000
TOTAL	\$1,745,000

In addition to the above the Voyage expenses must be added.

P&I DEDUCTIBLES	
CARGO CLAIMS	\$ 15,650.00 EACH CARGO VOYAGE
CREW ILLNESS	\$ 5,250.00 PER PORT
CREW INJURY/LOSS OF LIFE	\$ 5,250.00 PER PERSON PER PORT
ALL OTHER CLAIMS	\$ 5,250.00 ANY ONE ACCIDENT OR OCCURANCE

FD&D DEDUCTIBLES	\$ 1,000.00 EACH DISPUTE
-----------------------------	---------------------------------

INSURANCE POLICY COVER	
H&M INSURED VALUE	\$ 5 MILLION
INCREASED VALUE	\$ 2 MILLION

DEDUCTIBLE ON H&M INS COVER (\$ 5 MILLION) \$ 100,000

VESSEL INSURED FOR WAR RISK WITH LLOYDS	
H&M INSURANCE	\$ 5 MILLION
INCREASED VALUE	\$ 2 MILLION

All figures about and without guarantee

Printed by BIMCO's logo

This document is a computer generated SHIPMAN 98 form printed by authority of BIMCO. Any insertion or deletion to the form must be clearly visible. In the event of any modification made to the pre-printed text of this document which is not clearly visible, the text of the original BIMCO approved document shall apply. BIMCO assumes no responsibility for any loss, damage or expense as a result of discrepancies between the original BIMCO approved document and this computer generated document.

**ANNEX "D" (ASSOCIATED VESSELS) TO
THE BALTIC AND INTERNATIONAL MARITIME COUNCIL (BIMCO)
STANDARD SHIP MANAGEMENT AGREEMENT - CODE NAME: "SHIPMAN 98"**

**NOTE: PARTIES SHOULD BE AWARE THAT BY COMPLETING THIS ANNEX "D"
THEY WILL BE SUBJECT TO THE PROVISIONS OF SUB-CLAUSE 18.1(i) OF THIS
AGREEMENT.**

Date of Agreement:

09/01/06

Details of Associated Vessels:

MT Monte Rosso

Built 1987 by Santierul Naval Constanta

Dwt: 88,850 MT

IMO Nr: 8513625

MT Monte Verde

Built 1980 by Hitachi Zosen


Dwt: 86,993 MT

IMO Nr: 7602960


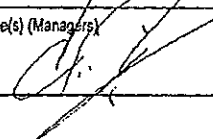
This document is a computer generated SHIPMAN 98 form printed by authority of BIMCO. Any insertion or deletion to the form must be clearly visible. In the event of any modification made to the pre-printed text of this document which is not clearly visible, the text of the original BIMCO approved document shall apply. BIMCO assumes no responsibility for any loss, damage or expense as a result of discrepancies between the original BIMCO approved document and this computer generated document.



EXHIBIT 2

Approved by the International Ship Managers' Association (ISMA)		1. Date of Agreement 05/01/06		THE BALTIC AND INTERNATIONAL MARITIME COUNCIL (BIMCO)		
				STANDARD SHIP MANAGEMENT AGREEMENT		
Approved by the Documentary Committee of The Japan Shipping Exchange Inc., Tokyo		2. Owners (name, place of registered office and law of registry) (Cl. 1)		3. Managers (name, place of registered office and law of registry) (Cl. 1)		Part I
		Name Solana Shipping Ltd Place of registered office Valletta, Malta Law of registry Malta		Name Palomar Maritime Inc. Place of registered office Monrovia, 8 Broad Street, Liberia Law of registry Liberia		
Printed by BIMCO's / dea		4. Day and year of commencement of Agreement (Cl. 2) 05/01/06				
		5. Crew Management (state "yes" or "no" as agreed) (Cl. 3.1) YES		6. Technical Management (state "yes" or "no" as agreed) (Cl. 3.2) YES		
		7. Commercial Management (state "yes" or "no" as agreed) (Cl. 3.3) NO		8. Insurance Arrangements (state "yes" or "no" as agreed) (Cl. 3.4) YES		
		9. Accounting Services (state "yes" or "no" as agreed) (Cl. 3.5) YES		10. Sale or purchase of the Vessel (state "yes" or "no" as agreed) (Cl. 3.6) YES		
		11. Provisions (state "yes" or "no" as agreed) (Cl. 3.7) YES		12. Bunkering (state "yes" or "no" as agreed) (Cl. 3.8) NO, but cl. 3.8 to apply		
		13. Chartering Services Period (only to be filled in if "yes" stated in Box 7) (Cl. 3.3(i)) NO		14. Owners' Insurance (state alternative (i), (ii) or (iii) of Cl. 5.3) (ii)		
		15. Annual Management Fee (state annual amount) (Cl. 8.1) US\$250,000		16. Severance Costs (state maximum amount) (Cl. 8.4(iii)) All Severance costs as per Crew's Employment Agreement		
		17. Day and year of termination of Agreement (Cl. 17) 1 year after commencement		18. Law and Arbitration (state alternative 19.1, 19.2 or 19.3; if 19.3 place of arbitration must be stated) (Cl. 19) 19.1		
		19. Notices (state postal and cable address, telex and telefax number for serving notice and communication to the Owners) (Cl. 20) Solana Shipping Ltd c/o Spectrum Trading and Shipping (STS) Inc. 31 Novinskiy Boulevard, Office 8068, Moscow. Russia 123242 Tel: +7 095 9814788 Fax: +7 095 9814789 Email: Tanker@spect.ru		20. Notices (state postal and cable address, telex and telefax number for serving notice and communication to the Managers) (Cl. 20) Palomar Maritime Inc. Kantharou 1 & Akti Miaouli 75, 18537, Athens, Greece Fax: +30 210 4280064, Tlx: 212939 REMI GR, Email: Operations@Palomarmaritime.com		

It is mutually agreed between the party stated in Box 2 and the party stated in Box 3 that this Agreement consisting of PART I and PART II as well as Annexes "A" (Details of Vessel), "B" (Details of Crew), "C" (Budget) and "D" (Associated vessels) attached hereto, shall be performed subject to the conditions contained herein. In the event of a conflict of conditions, the provisions of PART I and Annexes "A", "B", "C" and "D" shall prevail over those of PART II to the extent of such conflict but no further.

Signature(s) (Owners) 	Signature(s) (Managers) 
--	---

PART II

"SHIPMAN 98" Standard Ship Management Agreement

* Definitions	1	for the duties for which they are engaged and are in possession	66
In this Agreement save where the context otherwise requires,	2	of valid medical certificates issued in accordance with	67
the following words and expressions shall have the meanings	3	appropriate flag State requirements. In the absence of	68
hereby assigned to them.	4	applicable flag State requirements the medical certificate shall	69
		be dated not more than three months prior to the respective	70
"Owners" means the party identified in <u>Box 2</u> .	5	Crew members leaving their country of domicile and	71
"Managers" means the party identified in <u>Box 3</u> .	6	maintained for the duration of their service on board the Vessel;	72
"Vessel" means the vessel or vessels details of which are set	7	(iv) ensuring that the Crew shall have a command of the English	73
out in <u>Annex "A"</u> attached hereto.	8	language of a sufficient standard to enable them to perform	74
"Crew" means the Master, officers and ratings of the numbers,	9	their duties safely;	75
rank and nationally specified in <u>Annex "B"</u> attached hereto.	10	(v) arranging transportation of the Crew, including repatriation;	76
"Crew Support Costs" means all expenses of a general nature	11	(vi) training of the Crew and supervising their efficiency;	77
which are not particularly referable to any individual vessel for	12	(vii) conducting union negotiations;	78
the time being managed by the Managers and which are incurred	13	(viii) operating the Managers' drug and alcohol policy unless	79
by the Managers for the purpose of providing an efficient and	14	otherwise agreed.	80
economic management service and, without prejudice to the	15		
generality of the foregoing, shall include the cost of crew standby	16	3.2 Technical Management	81
pay, training schemes for officers and ratings, cadet training	17	<i>(only applicable if agreed according to <u>Box 6</u>)</i>	82
schemes, sick pay, study pay, recruitment and interviews.	18	The Managers shall provide technical management which	83
"Severance Costs" means the costs which the employers are	19	includes, but is not limited to, the following functions:	84
legally obliged to pay to or in respect of the Crew as a result of	20	(i) provision of competent personnel to supervise the	85
the early termination of any employment contract for service on	21	maintenance and general efficiency of the Vessel;	86
the Vessel.	22	(ii) arrangement and supervision of dry dockings, repairs,	87
"Crew Insurances" means insurances against crew risks which	23	alterations and the upkeep of the Vessel to the standards	88
shall include but not be limited to death, sickness, repatriation,	24	required by the Owners provided that the Managers shall	89
injury, shipwreck unemployment indemnity and loss of personal	25	be entitled to incur the necessary expenditure to ensure	90
effects.	26	that the Vessel will comply with the law of the flag of the	91
"Management Services" means the services specified in sub-	27	Vessel and of the places where she trades, and all	92
clauses 3.1 to 3.8 as indicated affirmatively in <u>Boxes 5</u> to <u>12</u> .	28	requirements and recommendations of the classification	93
"ISM Code" means the International Management Code for the	29	society;	94
Safe Operation of Ships and for Pollution Prevention as adopted	30	(iii) arrangement of the supply of necessary stores, spares and	95
by the International Maritime Organization (IMO) by resolution	31	lubricating oil;	96
A.741(18) or any subsequent amendment thereto.	32	(iv) appointment of surveyors and technical consultants as the	97
"STCW 95" means the International Convention on Standards	33	Managers may consider from time to time to be necessary;	98
of Training, Certification and Watchkeeping for Seafarers, 1978,	34	(v) development, implementation and maintenance of a Safety	99
as amended in 1995 or any subsequent amendment thereto.	35	Management System (SMS) in accordance with the ISM	100
		Code (see sub-clauses <u>4.2</u> and <u>5.3</u>).	101
		(vi) all aspects of ISPS compliance	
2. Appointment of Managers	36	3.3 Commercial Management	102
With effect from the day and year stated in <u>Box 4</u> and continuing	37	<i>(only applicable if agreed according to <u>Box 7</u>)</i>	103
unless and until terminated as provided herein, the Owners	38	The Managers shall provide the commercial operation of the	104
hereby appoint the Managers and the Managers hereby agree	39	Vessel, as required by the Owners, which includes, but is not	105
to act as the Managers of the Vessel.	40	limited to, the following functions:	106
		(i) providing chartering services in accordance with the Owners'	107
3. Basis of Agreement	41	instructions which include, but are not limited to, seeking	108
Subject to the terms and conditions herein provided, during the	42	and negotiating employment for the Vessel and the conclusion	109
period of this Agreement, the Managers shall carry out	43	(including the execution thereof) of charter parties or other	110
Management Services in respect of the Vessel as agents for	44	contracts relating to the employment of the Vessel. If such a	111
and on behalf of the Owners. The Managers shall have authority	45	contract exceeds the period stated in <u>Box 12</u> , consent thereto	112
to take such actions as they may from time to time in their absolute	46	in writing shall first be obtained from the Owners.	113
discretion consider to be necessary to enable them to perform	47	(ii) arranging of the proper payment to Owners or their nominees	114
this Agreement in accordance with sound ship management	48	of all hire and/or freight revenues or other moneys of	115
practice.	49	whatsoever nature to which Owners may be entitled arising	116
		out of the employment of or otherwise in connection with the	117
		Vessel.	118
3.1 Crew Management	50	(iii) providing voyage estimates and accounts and calculating of	119
<i>(only applicable if agreed according to <u>Box 5</u>)</i>	51	hire, freight, demurrage and/or despatch moneys due from	120
The Managers shall provide suitably qualified Crew for the Vessel	52	or due to the charterers of the Vessel;	121
as required by the Owners in accordance with the STCW 95	53	(iv) issuing of voyage instructions;	122
requirements, provision of which includes but is not limited to	54	(v) appointing agents;	123
the following functions:	55	(vi) appointing stewards;	124
(i) selecting and engaging the Vessel's Crew, including payroll	56	(vii) arranging surveys associated with the commercial operation	125
arrangements, pension administration, and insurances for	57	of the Vessel.	126
the Crew other than those mentioned in <u>Clause 5</u> ;	58		
(ii) ensuring that the applicable requirements of the law of the	59	3.4 Insurance Arrangements	127
flag of the Vessel are satisfied in respect of manning levels,	60	<i>(only applicable if agreed according to <u>Box 8</u>)</i>	128
rank, qualification and certification of the Crew and	61	The Managers shall arrange insurances in accordance with	129
employment regulations including Crew's tax, social	62	Clause 6, on such the terms and conditions as the Owners shall	130
insurance, discipline and other requirements;	63	presently applicable to Seafarers/Managers	
(iii) ensuring that all members of the Crew have passed a medical	64	have instructed or agreed, in particular regarding conditions	131
examination with a qualified doctor certifying that they are fit—	65		

This document is a computer generated SHIPMAN 98 form printed by authority of BIMCO. Any insertion or deletion to the form must be clearly visible. In the event of any modification made to the pre-printed text of this document which is not clearly visible, the text of the original BIMCO approved document shall apply. BIMCO assumes no responsibility for any loss, damage or expense as a result of discrepancies between the original BIMCO approved document and this computer generated document.

PART II

"SHIPMAN 98" Standard Ship Management Agreement

3 Including,		responsibilities imposed by the ISM Code when applicable.	192
insured values, deductibles and franchises, etc.	132		
3.5 Accounting Services	133	6. Insurance Policies	193
<i>(only applicable if agreed according to Box 9)</i>	134	The Owners shall procure, whether by instructing the Managers	194
The Managers shall:	135	under sub-clause 3.4 or otherwise, that throughout the period of	195
(i) establish an accounting system which meets the	136	this Agreement:	196
requirements of the Owners and provide regular accounting	137	6.1 at the Owners' expense, the Vessel is insured for not less	197
services, supply regular reports and records, such accounting	138	than her sound market value or entered for her full gross tonnage,	198
services to be provided by Moore Stephens and all costs to be for		as the case may be for:	199
owner's account		(i) usual hull and machinery marine risks (including crew	200
(ii) maintain the records of all costs and expenditure incurred	139	negligence) and excess liabilities;	201
as well as data necessary or proper for the settlement of	140	(ii) protection and indemnity risks (including pollution risks and	202
accounts between the parties.	141	Crew Insurances); and	203
3.6 Sale or Purchase of the Vessel	142	(iii) war risks (including protection and indemnity and crew risks)	204
<i>(only applicable if agreed according to Box 10)</i>	143	in accordance with the best practice of prudent owners of	205
The Managers shall, in accordance with the Owners' instructions,	144	vessels of a similar type to the Vessel, with first class insurance	206
supervise the sale or purchase of the Vessel, including the	145	companies, underwriters or associations ("the Owners'	207
performance of any sale or purchase agreement, but not	146	Insurances");	208
negotiation of the same.	147	6.2 all premiums and calls on the Owners' Insurances are paid	209
3.7 Provisions (only applicable if agreed according to Box 11)	148	promptly by their due date,	210
The Managers shall arrange for the supply of provisions.	149	6.3 the Owners' Insurances name the Managers and, subject	211
3.8 Bunkering (only applicable if agreed according to Box 12)	150	to underwriters' agreement, any third party designated by the	212
The Managers-Owners shall arrange for the provision of bunker fuel	151	Managers as a joint assured, with full cover, with the Owners	213
of the		obtaining cover in respect of each of the Insurances specified in	214
quality specified by the Owners suitable for the type of the Vessel's	152	sub-clause 6.1:	215
engine as required for the Vessel's trade.		(i) on terms whereby the Managers and any such third party	216
4. Managers' Obligations	153	are liable in respect of premiums or calls arising in connection	217
4.1 The Managers undertake to use their best endeavours to	154	with the Owners' Insurances; or	218
provide the agreed Management Services as agents for and on	155	(ii) if reasonably obtainable, on terms such that neither the	219
behalf of the Owners in accordance with sound ship management	156	Managers nor any such third party shall be under any	220
practice and to protect and promote the interests of the Owners in	157	liability in respect of premiums or calls arising in connection	221
all matters relating to the provision of services hereunder.	158	with the Owners' Insurances; or	222
Provided, however, that the Managers in the performance of their	159	(iii) on such other terms as may be agreed in writing.	223
management responsibilities under this Agreement shall be entitled	160	Indicate alternative (i), (ii) or (iii) in Box 14. If Box 14 is left	224
to have regard to their overall responsibility in relation to all vessels	161	blank then (i) applies.	225
as may from time to time be entrusted to their management and	162	6.4 written evidence is provided, to the reasonable satisfaction	226
in particular, but without prejudice to the generality of the foregoing,	163	of the Managers, of their compliance with their obligations under	227
the Managers shall be entitled to allocate available supplies,	164	Clause 6 within a reasonable time of the commencement of	228
manpower and services in such manner as in the prevailing	165	the Agreement, and of each renewal date and, if specifically	229
circumstances the Managers in their absolute discretion consider	166	requested, of each payment date of the Owners' Insurances.	230
to be fair and reasonable.	167	7. Income Collected and Expenses Paid on Behalf of Owners	231
4.2 Where the Managers are providing Technical Management	168	7.1 All moneys collected by the Managers under the terms of	232
In accordance with sub-clause 3.2, they shall procure that the	169	this Agreement (other than moneys payable by the Owners to	233
requirements of the law of the flag of the Vessel are satisfied and	170	the Managers) and any interest thereon shall be held to the	234
they shall in particular be deemed to be the "Company" as defined	171	credit of the Owners in a separate bank account.	235
by the ISM Code, assuming the responsibility for the operation of	172	7.2 All expenses incurred by the Managers under the terms	236
the Vessel and taking over the duties and responsibilities imposed	173	of this Agreement on behalf of the Owners (including expenses	237
by the ISM Code when applicable.	174	as provided in Clause 8) may be debited against the Owners	238
5. Owners' Obligations	175	in the account referred to under sub-clause 7.1 but shall in any	239
5.1 The Owners shall pay all sums due to the Managers punctually	176	event remain payable by the Owners to the Managers on	240
in accordance with the terms of this Agreement.	177	demand.	241
5.2 Where the Managers are providing Technical Management	178	8. Management Fee	242
In accordance with sub-clause 3.2, the Owners shall:	179	8.1 The Owners shall pay to the Managers for their services	243
(i) procure that all officers and ratings supplied by them or on	180	as Managers under this Agreement an annual management	244
their behalf comply with the requirements of STCW 95;	181	fee as stated in Box 15 which shall be payable by equal	245
(ii) instruct such officers and ratings to obey all reasonable orders	182	Monthly - instalments in advance, the first instalment being	246
of the Managers in connection with the operation of the	183	payable on the commencement of this Agreement (see Clause	247
Managers' safety management system.	184	2 and Box 4) and subsequent instalments being payable every	248
5.3 Where the Managers are not providing Technical Management	185	month.	249
In accordance with sub-clause 3.2, the Owners shall procure that	186	8.2 The management fee shall be subject to an annual review	250
the requirements of the law of the flag of the Vessel are satisfied	187	on the anniversary date of the Agreement and the proposed	251
and that they, or such other entity as may be appointed by them	188	fee shall be presented in the annual budget referred to in sub-	252
and identified to the Managers, shall be deemed to be the	189	clause 9.1.	253
"Company" as defined by the ISM Code assuming the responsibility	190	8.3 The Managers shall, at no extra cost to the Owners, provide	254
for the operation of the Vessel and taking over the duties and	191	their own office accommodation, office staff, facilities and	255
		stationery. Without limiting the generality of Clause 7 the Owners	256

This document is a computer generated SHIPMAN 98 form printed by authority of BIMCO. Any insertion or deletion to the form must be clearly visible. In the event of any modification made to the pre-printed text of this document which is not clearly visible, the text of the original BIMCO approved document shall apply. BIMCO assumes no responsibility for any loss, damage or expense as a result of discrepancies between the original BIMCO approved document and this computer generated document.

PART II

"SHIPMAN 98" Standard Ship Management Agreement

shall reimburse the Managers for postage and communication expenses, travelling expenses, and other out of pocket expenses properly incurred by the Managers in pursuance of the Management Services.	257	10. Managers' Right to Sub-Contract	318
8.4 In the event of the appointment of the Managers being terminated by the Owners or the Managers in accordance with the provisions of Clauses 17 and 18 other than by reason of default by the Managers, or if the Vessel is lost, sold or otherwise disposed of, the "management fee" payable to the Managers according to the provisions of sub-clause 8.1, shall continue to be payable for a further period of three calendar months as from the termination date. In addition, provided that the Managers provide Crew for the Vessel in accordance with sub-clause 8.1:	258	The Managers shall not have the right to sub-contract any of their obligations hereunder, including those mentioned in sub-clause 3.1, without the prior written consent of the Owners which shall not be unreasonably withheld. In the event of such a sub-contract the Managers shall remain fully liable for the due performance of their obligations under this Agreement.	319
(i) the Owners shall continue to pay Crew Support Costs during the said further period of three calendar months and	259		320
(ii) the Owners shall pay an equitable proportion of any all Severance Costs which may materialize are actually incurred, not exceeding	260		321
the amount stated in Box 16.	261		322
8.5 If the Owners decide to lay-up the Vessel whilst this Agreement remains in force and such lay-up lasts for more than three months, an appropriate reduction of the management fee for the period exceeding three months until one month before the Vessel is again put into service shall be mutually agreed between the parties.	262		323
8.6 Unless otherwise agreed in writing all discounts and commissions obtained by the Managers in the course of the management of the Vessel shall be credited to the Owners.	263		324
	264		
	265		
	266		
	267		
	268		
	269		
	270		
	271		
	272		
	273		
	274		
	275		
	276		
	277		
	278		
	279		
	280		
	281		
	282		
	283		
	284		
	285		
9. Budgets and Management of Funds	286	11. Responsibilities	325
9.1 The Managers shall present to the Owners annually a budget for the following twelve months in such form as the Owners require. The budget for the first year hereof is set out in Annex "C" hereto. Subsequent annual budgets shall be prepared by the Managers and submitted to the Owners not less than three months before the anniversary date of the commencement of this Agreement (see Clause 2 and Box 4).	287	11.1 Force Majeure - Neither the Owners nor the Managers shall be under any liability for any failure to perform any of their obligations hereunder by reason of any cause whatsoever of any nature or kind beyond their reasonable control.	326
9.2 The Owners shall indicate to the Managers their acceptance and approval of the annual budget within one month-week of presentation and in the absence of any such indication the Managers shall be entitled to assume that the Owners have accepted the proposed budget.	288	11.2 Liability to Owners - (i) Without prejudice to sub-clause 11.1, the Managers shall be under no liability whatsoever to the Owners for any loss, damage, delay or expense of whatsoever nature, whether direct or indirect, (including but not limited to loss of profit arising out of or in connection with detention of or delay to the Vessel) and howsoever arising in the course of performance of the Management Services UNLESS same is proved to have resulted solely from the negligence, gross negligence or wilful default of the Managers or their employees, or agents or sub-contractors employed by them in connection with the Vessel, in which case (save where loss, damage, delay or expense has resulted from the Managers' personal act or omission committed with the intent to cause same or recklessly and with knowledge that such loss, damage, delay or expense would probably result) the Managers' liability for each incident or series of incidents giving rise to a claim or claims shall never exceed a total of ten-times the annual management fee payable hereunder.	327
9.3 Following the agreement of the budget, the Managers shall prepare and present to the Owners their estimate of the working capital requirement of the Vessel and the Managers shall each month up-date this estimate. The Owners shall provide an amount of US\$250,000 to the Managers for the working capital requirements of the vessel, which amount to be deposited in the Managers' account. Based thereon, the Managers shall each month request the Owners in writing for the funds required to make up any deficit of the US\$250,000 working capital deposit, as when required,	289	(ii) Notwithstanding anything that may appear to the contrary in this Agreement, the Managers shall not be liable for any of the actions of the Crew, even if such actions are negligent, grossly negligent or wilful, except only to the extent that they are shown to have resulted from a failure by the Managers to discharge their obligations under sub-clause 3.1, in which case their liability shall be limited in accordance with the terms of this Clause 11.	328
to run the Vessel for the ensuing month, including the payment of any occasional or extraordinary item of expenditure, such as emergency repair costs, additional insurance premiums, bunkers or provisions. Such funds shall be received by the Managers within ten running three banking days after the receipt by the Owners of the Managers' written or fax or telex or e-mail request and shall be held to the credit of the Owners in a separate bank account.	290	11.3 Indemnity - Except to the extent and solely for the amount therein set out that the Managers would be liable under sub-clause 11.2, the Owners hereby undertake to keep the Managers and their employees, agents and sub-contractors indemnified and to hold them harmless against all actions, proceedings, claims, demands or liabilities whatsoever or howsoever arising which may be brought against them or incurred or suffered by them arising out of or in connection with the performance of the Agreement, and against and in respect of all costs, losses, damages and expenses (including legal costs and expenses on a full indemnity basis) which the Managers may suffer or incur (either directly or indirectly) in the course of the performance of this Agreement.	329
	291		330
	292		331
	293		332
	294		333
	295		334
	296		335
	297		336
	298		337
	299		338
	300		339
	301		340
	302		341
	303		342
	304		343
	305		344
	306		345
	307		346
	308		347
	309		348
	310		349
	311		350
	312		351
	313		352
	314		353
	315		354
	316		355
	317		356
			357
			358
			359
			360
			361
			362
			363
			364
			365
			366
			367
			368
			369
			370
			371
			372
			373
			374
			375
			376
			377
			378
			379
			380
			381
			382
			383
			384

This document is a computer generated SHIPMAN 98 form printed by authority of BIMCO. Any insertion or deletion to the form must be clearly visible. In the event of any modification made to the printed text of this document which is not clearly visible, the text of the original BIMCO approved document shall apply. BIMCO assumes no responsibility for any loss, damage or expense as a result of discrepancies between the original BIMCO approved document and this computer generated document.

PART II

"SHIPMAN 98" Standard Ship Management Agreement

persons who are or might be their servants or agents from time to time (including sub-contractors as aforesaid) and all such persons shall to this extent be or be deemed to be parties to this Agreement.	385 388 387 388	owners of any associated vessel, details of which are listed in Annex "D", shall not have been received in the Managers' nominated account within ten-five running days of receipt by the Owners of the Managers written request or if the Vessel is repossessed by the Mortgagees.	445 446 447 448 449
12. Documentation	389	(ii) If the Owners:	450
Where the Managers are providing Technical Management in accordance with sub-clause 3.2 and/or Crew Management in accordance with sub-clause 3.1, they shall make available, upon Owners' request, all documentation and records related to the Safety Management System (SMS) and/or the Crew which the Owners need in order to demonstrate compliance with the ISM Code and STCW 95 or to defend a claim against a third party.	390 391 392 393 394 395 396 397	(a) fail to meet their obligations under sub-clauses 5.2 and 5.3 of this Agreement for any reason within their control, or	451 452 453
		(b) proceed with the employment of or continue to employ the Vessel in the carriage of contraband, blockade running, or in an unlawful trade, or on a voyage which in the reasonable opinion of the Managers is unduly hazardous or improper,	454 455 456 457 458
		the Managers may give notice of the default to the Owners, requiring them to remedy it as soon as practically possible.	459 460
13. General Administration	398	In the event that the Owners fail to remedy it within a reasonable time to the satisfaction of the Managers, the Managers shall be entitled to terminate the Agreement with immediate effect by notice in writing.	461 462 463 464
13.1 The Managers shall handle and settle all claims arising out of the Management Services hereunder and keep the Owners informed regarding any incident of which the Managers become aware which gives or may give rise to claims or disputes involving third parties.	399 400 401 402 403	18.2 Managers' Default	465
13.2 The Managers shall, as instructed by the Owners, bring or defend actions, suits or proceedings in connection with matters entrusted to the Managers according to this Agreement.	404 405 406 407	If the Managers fail to meet their obligations under Clauses 3 and 4 of this Agreement for any reason within the control of the Managers, the Owners may give notice to the Managers of the default, requiring them to remedy it as soon as practically possible. In the event that the Managers fail to remedy it within a reasonable time to the satisfaction of the Owners, the Owners shall be entitled to terminate the Agreement with immediate effect by notice in writing.	466 467 468 469 470 471 472 473
13.3 The Managers shall also have power to obtain legal or technical or other outside expert advice in relation to the handling and settlement of claims and disputes or all other matters affecting the interests of the Owners in respect of the Vessel.	408 409 410 411	18.3 Extraordinary Termination	474
13.4 The Owners shall arrange for the provision of any necessary guarantee bond or other security.	412	This Agreement shall be deemed to be terminated in the case of the sale of the Vessel or if the Vessel becomes a total loss or is declared as a constructive or compromised or arranged total loss or is requisitioned.	475 476 477 478
13.5 Any costs reasonably incurred by the Managers in carrying out their obligations according to Clause 13 shall be reimbursed by the Owners.	413 414 415	18.4 For the purpose of sub-clause 18.3 hereof	479
14. Auditing	416	(i) the date upon which the Vessel is to be treated as having been sold or otherwise disposed of shall be the date on which the Owners cease to be registered as Owners of the Vessel;	480 481 482 483
The Managers shall at all times maintain and keep true and correct accounts and shall make the same available for inspection and auditing by the Owners at such times as may be mutually agreed. On the termination, for whatever reasons, of this Agreement, the Managers shall release to the Owners, if so requested, the originals where possible, or otherwise certified copies, of all such accounts and all documents specifically relating to the Vessel and her operation.	417 418 419 420 421 422 423 424	(ii) the Vessel shall not be deemed to be lost unless either she has become an actual total loss or agreement has been reached with her underwriters in respect of her constructive, compromised or arranged total loss or if such agreement with her underwriters is not reached it is adjudged by a competent tribunal that a constructive loss of the Vessel has occurred.	484 485 486 487 488 489 490
15. Inspection of Vessel	425	18.5 This Agreement shall terminate forthwith in the event of an order being made or resolution passed for the winding up, dissolution, liquidation or bankruptcy of either party (otherwise than for the purpose of reconstruction or amalgamation) or if a receiver is appointed, or if it suspends payment, ceases to carry on business or makes any special arrangement or composition with its creditors.	491 492 493 494 495 496 497
The Owners shall have the right at any time after giving reasonable notice to the Managers to inspect the Vessel for any reason they consider necessary.	426 427 428	18.6 The termination of this Agreement shall be without prejudice to all rights accrued due between the parties prior to the date of termination.	498 499 500
16. Compliance with Laws and Regulations	429	19. Law and Arbitration	501
The Managers will not do or permit to be done anything which might cause any breach or infringement of the laws and regulations of the Vessels flag, or of the places where she trades.	430 431 432	19.1 This Agreement shall be governed by and construed in accordance with English law and any dispute arising out of or in connection with this Agreement shall be referred to arbitration in London in accordance with the Arbitration Act 1996 or any statutory modification or re-enactment thereof save to the extent necessary to give effect to the provisions of this Clause.	502 503 504 505 506 507 508
17. Duration of the Agreement	433	The arbitration shall be conducted in accordance with the London Maritime Arbitrators Association (LMAA) Terms current at the time when the arbitration proceedings are commenced.	509 510 511 512
This Agreement shall come into effect on the day and year stated in Box 4 and shall continue until the date stated in Box 17. However either party to have the right to terminate this agreement by	434 435		
Thereafter it shall continue until terminated by either party giving to the other notice in writing, in which event the Agreement shall terminate upon the expiration of a period of two-three months from the date upon which such notice was given.	436 437 438 439		
18. Termination	440		
18.1 Owners' default	441		
(i) The Managers shall be entitled to terminate the Agreement with immediate effect by notice in writing if any moneys payable by the Owners under this Agreement and/or the	442 443 444		

This document is a computer generated SHIPMAN 98 form printed by authority of BIMCO. Any insertion or deletion to the form must be clearly visible. In the event of any modification made to the printed text of this document which is not clearly visible, the text of the original BIMCO approved document shall apply. BIMCO assumes no responsibility for any loss, damage or expense as a result of discrepancies between the original BIMCO approved document and this computer generated document.

PART II
"SHIPMAN 98" Standard Ship Management Agreement

The reference shall be to three arbitrators. A party wishing to refer a dispute to arbitration shall appoint its arbitrator and send notice of such appointment in writing to the other party requiring the other party to appoint its own arbitrator within 14 calendar days of that notice and stating that it will appoint its arbitrator as sole arbitrator unless the other party appoints its own arbitrator and gives notice that it has done so within the 14 days specified. If the other party does not appoint its own arbitrator and give notice that it has done so within the 14 days specified, the party referring a dispute to arbitration may, without the requirement of any further prior notice to the other party, appoint its arbitrator as sole arbitrator and shall advise the other party accordingly. The award of a sole arbitrator shall be binding on both parties as if he had been appointed by agreement. Nothing herein shall prevent the parties agreeing in writing to vary these provisions to provide for the appointment of a sole arbitrator. In cases where neither the claim nor any counterclaim exceeds the sum of USD50,000 (or such other sum as the parties may agree) the arbitration shall be conducted in accordance with the LMAA Small Claims Procedure current at the time when the arbitration proceedings are commenced. ~~10.2 This Agreement shall be governed by and construed in accordance with Title 9 of the United States Code and the Maritime Law of the United States and any dispute arising out of or in connection with this Agreement shall be referred to three persons at New York, one to be appointed by each of the parties hereto, and the third by the two so chosen; their decision or that of any two of them shall be~~

513 final, and for the purposes of enforcing any award,
 514 judgement may be entered on an award by any court of
 515 competent jurisdiction. The proceedings shall be conducted
 516 in accordance with the rules of the Society of Maritime
 517 Arbitrators, Inc.
 518 In cases where neither the claim nor any counterclaim
 519 exceeds the sum of USD50,000 (or such other sum as the
 520 parties may agree) the arbitration shall be conducted in
 521 accordance with the Shortened Arbitration Procedure of the
 522 Society of Maritime Arbitrators, Inc. current at the time when
 523 the arbitration proceedings are commenced.
 524 ~~19.3 This Agreement shall be governed by and construed~~
 525 ~~in accordance with the laws of the place mutually agreed by~~
 526 ~~the parties and any dispute arising out of or in connection~~
 527 ~~with this Agreement shall be referred to arbitration at a~~
 528 ~~mutually agreed place, subject to the procedures applicable~~
 529 ~~there.~~
 530 ~~19.4 If Box 18 in Part I is not appropriately filled in, sub-~~
 531 ~~clause 19.1 of this Clause shall apply.~~
 532
 533 ~~Note: 19.1, 19.2 and 19.3 are alternatives; indicate~~
 534 ~~alternative agreed in Box 18.~~
 535
 536 **20. Notices**
 537 20.1 Any notice to be given by either party to the other
 538 party shall be in writing and may be sent by fax, telex,
 539 registered or recorded mail or by personal service.
 540 20.2 The address of the Parties for service of such
 541 communication shall be as stated in Boxes 19 and 20,
 542 respectively.

543
 544
 545
 546
 547
 548
 549
 550
 551
 552
 553
 554
 555
 556
 557
 558
 559
 560
 561
 562
 563
 564
 565
 566
 567
 568
 569
 570

**ANNEX "A" (DETAILS OF VESSEL OR VESSELS) TO
THE BALTIC AND INTERNATIONAL MARITIME COUNCIL (BIMCO)
STANDARD SHIP MANAGEMENT AGREEMENT - CODE NAME: "SHIPMAN 98"**

Date of Agreement:

05/01/06

Name of Vessel(s):

MT Monte Rosso

Particulars of Vessel(s):

Built: 1987, by Santierul Naval Constanta

Malta Flag

Registered in Valletta, Malta

Call Sign: 9HOT3

IMO Nr.: 8513625

Class: DNV

GT/NT: 50,571/30,696

DWT: 88,850 MT on 14.022m

LOA: 228.15m, Beam: 43m

Printed by BIMCO's Idea

This document is a computer generated SHIPMAN 98 form printed by authority of BIMCO. Any insertion or deletion to the form must be clearly visible. In the event of any modification made to the pre-printed text of this document which is not clearly visible, the text of the original BIMCO approved document shall apply. BIMCO assumes no responsibility for any loss, damage or expense as a result of discrepancies between the original BIMCO approved document and this computer generated document.

**ANNEX "B" (DETAILS OF CREW) TO
THE BALTIC AND INTERNATIONAL MARITIME COUNCIL (BIMCO)
STANDARD SHIP MANAGEMENT AGREEMENT - CODE NAME: "SHIPMAN 98"**

Date of Agreement:

05/01/06

Details of Crew:

Numbers	Rank	Nationality
1	MASTER	GREEK
1	CH.OFFICER	GREEK
1	2 ND MATE	RUSSIAN
1	3 ND MATE	RUSSIAN
1	CH. ENGINEER	GREEK
1	2 ND ENGINEER	GREEK
1	3 RD ENGINEER	RUSSIAN
1	4 TH ENGINEER	RUSSIAN
1	EL/CIAN	RUSSIAN
1	BOSUN	RUSSIAN
1	PUMPMAN	RUSSIAN
1	A.B.	RUSSIAN
1	A.B.	RUSSIAN
1	A.B.	RUSSIAN
1	MOTORMAN	RUSSIAN
1	MOTORMAN	RUSSIAN
1	FITTER	RUSSIAN
1	OILER	RUSSIAN
1	OILER	RUSSIAN
1	WIPER	RUSSIAN
1	ASS. STEWARD	RUSSIAN
1	ASS. STEWARD	RUSSIAN
1	SUP/TRY	RUSSIAN
1	COOK	RUSSIAN

This document is a computer generated SHIPMAN 98 form printed by authority of BIMCO. Any insertion or deletion to the form must be clearly visible. In the event of any modification made to the pre-printed text of this document which is not clearly visible, the text of the original BIMCO approved document shall apply. BIMCO assumes no responsibility for any loss, damage or expense as a result of discrepancies between the original BIMCO approved document and this computer generated document.

**ANNEX "C" (BUDGET) TO
THE BALTIC AND INTERNATIONAL MARITIME COUNCIL (BIMCO)
STANDARD SHIP MANAGEMENT AGREEMENT - CODE NAME: "SHIPMAN 98"**

Date of Agreement:

05/01/06

Managers' Budget for the first year with effect from the Commencement Date of this Agreement:

CREW WAGES	\$1,050,000
MARINE INSURANCES	\$105,000
P&I AND DEFENSE	\$125,000
STORES (DECK, ENGINE, CABIN, BONDED	\$180,000
REPAIRS / MAINTENANCE	\$450,000
CREW REPLACEMENT AND OTHER EXPENSES INCLUDING MEDICAL	\$75,000
VICTUALLING	\$80,000
FLAG EXPENSES	\$15,000
SPARES	\$250,000
RADIO	\$20,000
GENERAL SUPPLY EXPENSES, OPA 90, VESSELS INSPECTIONS	\$20,000
LUBRICANTS	\$90,000
MANAGEMENT	\$250,000
UNFORSEEN	\$30,000
TOTAL	\$2,720,000

In addition to the above the Voyage expenses must be added.

P&I DEDUCTIBLES	
CARGO CLAIMS	\$ 15,650.00 EACH CARGO VOYAGE
CREW ILLNESS	\$ 5,250.00 PER PORT
CREW INJURY/LOSS OF LIFE	\$ 5,250.00 PER PERSON PER PORT
ALL OTHER CLAIMS	\$ 5,250.00

FD&D DEDUCTIBLES	\$ 1,000.00 EACH DISPUTE
-----------------------------	---------------------------------

INSURANCE POLICY COVER	
H&M INSURED VALUE	\$ 18 MILLION
INCREASED VALUE	\$ 2 MILLION

DEDUCTIBLE ON H&M INS COVER (\$ 18 MILLION) \$ 100,000

VESSEL INSURED FOR WAR RISK WITH LLOYDS	
H&M INSURANCE	\$ 18 MILLION
INCREASED VALUE	\$ 2 MILLION

All figures about and without guarantee

This document is a computer generated SHIPMAN 98 form printed by authority of BIMCO. Any insertion or deletion to the form must be clearly visible. In the event of any modification made to the pre-printed text of this document which is not clearly visible, the text of the original BIMCO approved document shall apply. BIMCO assumes no responsibility for any loss, damage or expense as a result of discrepancies between the original BIMCO approved document and this computer generated document.

**ANNEX "D" (ASSOCIATED VESSELS) TO
THE BALTIC AND INTERNATIONAL MARITIME COUNCIL (BIMCO)
STANDARD SHIP MANAGEMENT AGREEMENT - CODE NAME: "SHIPMAN 98"**

**NOTE: PARTIES SHOULD BE AWARE THAT BY COMPLETING THIS ANNEX "D"
THEY WILL BE SUBJECT TO THE PROVISIONS OF SUB-CLAUSE 18.1(i) OF THIS
AGREEMENT.**

Date of Agreement:

05/01/06

Details of Associated Vessels:

MT Symphony M

Built 1983 by Asakawa Ship Building Japan

Dwt: 10,885 MT

IMO Nr: 8216681

MT Monte Verde

Built 1980 by Hitachi Zosen

Dwt: 86,993 MT

IMO Nr: 7902960

This document is a computer generated SHIPMAN 98 form printed by authority of BIMCO. Any insertion or deletion to the form must be clearly visible. In the event of any modification made to the pre-printed text of this document which is not clearly visible, the text of the original BIMCO approved document shall apply. BIMCO assumes no responsibility for any loss, damage or expense as a result of discrepancies between the original BIMCO approved document and this computer generated document.


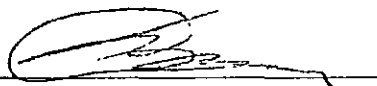
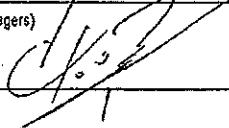


EXHIBIT 3

Approved by the International Ship Managers' Association (ISMA) Approved by the Documentary Committee of The Japan Shipping Exchange Inc., Tokyo Printed by BIMCO's Idea	1. Date of Agreement 01/01/06	THE BALTIC AND INTERNATIONAL MARITIME COUNCIL (BIMCO) STANDARD SHIP MANAGEMENT AGREEMENT CODE NAME: "SHIPMAN 98" <div style="text-align: right;">Part I</div>	
	2. Owners (name, place of registered office and law of registry) (Cl. 1) Name Balehill Trading S.A. Place of registered office Valletta, Malta Law of registry Malta	3. Managers (name, place of registered office and law of registry) (Cl. 1) Name Palomar Maritime Inc. Place of registered office Monrovia, 8 Broad Street, Liberia Law of registry Liberia	
	4. Day and year of commencement of Agreement (Cl. 2) 01/01/06		
	5. Crew Management (state "yes" or "no" as agreed) (Cl. 3.1) YES	6. Technical Management (state "yes" or "no" as agreed) (Cl. 3.2) YES	
	7. Commercial Management (state "yes" or "no" as agreed) (Cl. 3.3) NO	8. Insurance Arrangements (state "yes" or "no" as agreed) (Cl. 3.4) YES	
	9. Accounting Services (state "yes" or "no" as agreed) (Cl. 3.5) YES	10. Sale or purchase of the Vessel (state "yes" or "no" as agreed) (Cl. 3.6) YES	
	11. Provisions (state "yes" or "no" as agreed) (Cl. 3.7) YES	12. Bunkering (state "yes" or "no" as agreed) (Cl. 3.8) NO, but cl. 3.8 to apply	
	13. Chartering Services Period (only to be filled in if "yes" stated in Box 7) (Cl. 3.3(i)) NO	14. Owners' Insurance (state alternative (i), (ii) or (iii) of Cl. 6.3) (ii)	
	15. Annual Management Fee (state annual amount) (Cl. 8.1) US\$250,000	16. Severance Costs (state maximum amount) (Cl. 8.4(ii)) All Severance costs as per Crew's Employment Agreement	
	17. Day and year of termination of Agreement (Cl. 17) 1 year after commencement	18. Law and Arbitration (state alternative 19.1, 19.2 or 19.3; if 19.3 place of arbitration must be stated) (Cl. 19) 19.1	
19. Notices (state postal and cable address, telex and telefax number for serving notice and communication to the Owners) (Cl. 20) Balehill Trading S.A. c/o Spectrum Trading and Shipping (STS) Inc. 31 Novinskiy Boulevard, Office 8068, Moscow Russia 123242 Tel: +7 095 9814788 Fax: +7 095 9814789 Email: Tanker@spect.ru		20. Notices (state postal and cable address, telex and telefax number for serving notice and communication to the Managers) (Cl. 20) Palomar Maritime Inc. Kantharou 1 & Akti Miaouli 75, 18537, Athens, Greece Fax: +30 210 4280064, Tlx: 212939 REMI GR, Email: Operations@Palomarmaritime.com	

It is mutually agreed between the party stated in Box 2 and the party stated in Box 3 that this Agreement consisting of PART I and PART II as well as Annexes "A" (Details of Vessel), "B" (Details of Crew), "C" (Budget) and "D" (Associated vessels) attached hereto, shall be performed subject to the conditions contained herein. In the event of a conflict of conditions, the provisions of PART I and Annexes "A", "B", "C" and "D" shall prevail over those of PART II to the extent of such conflict but no further.

Signature(s) (Owners) 	Signature(s) (Managers) 
--	---

PART II

"SHIPMAN 98" Standard Ship Management Agreement

1. Definitions	1	for the duties for which they are engaged and are in possession	66
In this Agreement save where the context otherwise requires,	2	of valid medical certificates issued in accordance with	67
the following words and expressions shall have the meanings	3	appropriate flag State requirements. In the absence of	68
hereby assigned to them.	4	applicable flag State requirements the medical certificate shall	69
		be dated not more than three months prior to the respective	70
"Owners" means the party identified in <u>Box 2</u> .	5	Crew members leaving their country of domicile and	71
"Managers" means the party identified in <u>Box 3</u> .	6	maintained for the duration of their service on board the Vessel;	72
"Vessel" means the vessel or vessels details of which are set	7	(iv) ensuring that the Crew shall have a command of the English	73
out in <u>Annex "A"</u> attached hereto.	8	language of a sufficient standard to enable them to perform	74
"Crew" means the Master, officers and ratings of the numbers,	9	their duties safely;	75
rank and nationality specified in <u>Annex "B"</u> attached hereto.	10	(v) arranging transportation of the Crew, including repatriation;	76
"Crew Support Costs" means all expenses of a general nature	11	(vi) training of the Crew and supervising their efficiency;	77
which are not particularly referable to any individual vessel for	12	(vii) conducting union negotiations;	78
the time being managed by the Managers and which are incurred	13	(viii) operating the Managers' drug and alcohol policy, unless	79
by the Managers for the purpose of providing an efficient and	14	otherwise agreed.	80
economic management service and, without prejudice to the	15		
generality of the foregoing, shall include the cost of crew standby	16	3.2 Technical Management	81
pay, training schemes for officers and ratings, cadet training	17	<i>(only applicable if agreed according to <u>Box 6</u>)</i>	82
schemes, sick pay, study pay, recruitment and interviews.	18	The Managers shall provide technical management which	83
"Severance Costs" means the costs which the employers are	19	includes, but is not limited to, the following functions:	84
legally obliged to pay to or in respect of the Crew as a result of	20	(i) provision of competent personnel to supervise the	85
the early termination of any employment contract for service on	21	maintenance and general efficiency of the Vessel;	86
the Vessel.	22	(ii) arrangement and supervision of dry dockings, repairs,	87
"Crew Insurances" means insurances against crew risks which	23	alterations and the upkeep of the Vessel to the standards	88
shall include but not be limited to death, sickness, repatriation,	24	required by the Owners provided that the Managers shall	89
injury, shipwreck unemployment indemnity and loss of personal	25	be entitled to incur the necessary expenditure to ensure	90
effects.	26	that the Vessel will comply with the law of the flag of the	91
"Management Services" means the services specified in sub-	27	Vessel and of the places where she trades, and all	92
clauses 3.1 to 3.8 as indicated affirmatively in <u>Boxes 5</u> to <u>12</u> .	28	requirements and recommendations of the classification	93
"ISM Code" means the International Management Code for the	29	society;	94
Safe Operation of Ships and for Pollution Prevention as adopted	30	(iii) arrangement of the supply of necessary stores, spares and	95
by the International Maritime Organization (IMO) by resolution	31	lubricating oil;	96
A.741(18) or any subsequent amendment thereto.	32	(iv) appointment of surveyors and technical consultants as the	97
"STCW 95" means the International Convention on Standards	33	Managers may consider from time to time to be necessary;	98
of Training, Certification and Watchkeeping for Seafarers, 1978,	34	(v) development, implementation and maintenance of a Safety	99
as amended in 1995 or any subsequent amendment thereto.	35	Management System (SMS) in accordance with the ISM	100
		Code (see sub-clauses <u>4.2</u> and <u>5.3</u>).	101
2. Appointment of Managers	36	(vi) all aspects of ISPS compliance	
With effect from the day and year stated in <u>Box 4</u> and continuing	37	3.3 Commercial Management	102
unless and until terminated as provided herein, the Owners	38	<i>(only applicable if agreed according to <u>Box 7</u>)</i>	103
hereby appoint the Managers and the Managers hereby agree	39	The Managers shall provide the commercial operation of the	104
to act as the Managers of the Vessel.	40	Vessel, as required by the Owners, which includes, but is not	105
		limited to, the following functions:	106
3. Basis of Agreement	41	(i) providing chartering services in accordance with the Owners'	107
Subject to the terms and conditions herein provided, during the	42	instructions which include, but are not limited to, seeking	108
period of this Agreement, the Managers shall carry out	43	and negotiating employment for the Vessel and the conclusion	109
Management Services in respect of the Vessel as agents for	44	(including the execution thereof) of charter parties or other	110
and on behalf of the Owners. The Managers shall have authority	45	contracts relating to the employment of the Vessel. If such a	111
to take such actions as they may from time to time in their absolute	46	contract exceeds the period stated in <u>Box 13</u> , consent thereto	112
discretion consider to be necessary to enable them to perform	47	in writing shall first be obtained from the Owners.	113
this Agreement in accordance with sound ship management	48	(ii) arranging of the proper payment to Owners or their nominees	114
practice.	49	of all hire and/or freight revenue or other moneys of	115
		whatsoever nature to which Owners may be entitled arising	116
3.1 Crew Management	50	out of the employment of or otherwise in connection with the	117
<i>(only applicable if agreed according to <u>Box 5</u>)</i>	51	Vessel.	118
The Managers shall provide suitably qualified Crew for the Vessel	52	(iii) providing voyage estimates and accounts and calculating of	119
as required by the Owners in accordance with the STCW 95	53	hire, freight, demurrage and/or despatch moneys due from	120
requirements, provision of which includes but is not limited to	54	or due to the charterers of the Vessel;	121
the following functions:	55	(iv) issuing of voyage instructions;	122
(i) selecting and engaging the Vessel's Crew, including payroll	56	(v) appointing agents;	123
arrangements, pension administration, and insurances for	57	(vi) appointing relievers;	124
the Crew other than those mentioned in <u>Clause 6</u> ;	58	(vii) arranging surveys associated with the commercial operation	125
(ii) ensuring that the applicable requirements of the law of the	59	of the Vessel.	126
flag of the Vessel are satisfied in respect of manning levels,	60		
rank, qualification and certification of the Crew and	61	3.4 Insurance Arrangements	127
employment regulations including Crew's tax, social	62	<i>(only applicable if agreed according to <u>Box 8</u>)</i>	128
insurance, discipline and other requirements;	63	The Managers shall arrange insurances in accordance with	129
→ (iii) ensuring that all members of the Crew have passed a medical	64	<u>Clause 6</u> , on such the terms and conditions as the Owners shall	130
examination with a qualified doctor certifying that they are fit	65	presently applicable to Sellers/Managers	
		have instituted or agreed, in particular regarding conditions	131

PART II

"SHIPMAN 98" Standard Ship Management Agreement

Including,		responsibilities imposed by the ISM Code when applicable.	192
Insured values, deductibles and franchises, etc.	132		
3.5 Accounting Services	133	6. Insurance Policies	193
<i>(only applicable if agreed according to Box 9)</i>	134	The Owners shall procure, whether by instructing the Managers	194
The Managers shall:	135	under sub-clause 3.4 or otherwise, that throughout the period of	195
(i) establish an accounting system which meets the	136	this Agreement:	196
requirements of the Owners and provide regular accounting	137	6.1 at the Owners' expense, the Vessel is insured for not less	197
services, supply regular reports and records, such accounting	138	than her sound market value or entered for her full gross tonnage,	198
services to be provided by Moore Stephens and all costs to be for		as the case may be for:	199
owner's account		(i) usual hull and machinery marine risks (including crew	200
(ii) maintain the records of all costs and expenditure incurred	139	negligence) and excess liabilities;	201
as well as data necessary or proper for the settlement of	140	(ii) protection and indemnity risks (including pollution risks and	202
accounts between the parties,	141	Crew Insurances); and	203
3.6 Sale or Purchase of the Vessel	142	(iii) war risks (including protection and indemnity and crew risks)	204
<i>(only applicable if agreed according to Box 10)</i>	143	In accordance with the best practice of prudent owners of	205
The Managers shall, in accordance with the Owners' instructions,	144	vessels of a similar type to the Vessel, with first class insurance	206
supervise the sale or purchase of the Vessel, including the	145	companies, underwriters or associations ("the Owners'	207
performance of any sale or purchase agreement, but not	146	Insurances");	208
negotiation of the same.	147	6.2 all premiums and calls on the Owners' Insurances are paid	209
3.7 Provisions (only applicable if agreed according to Box 11)	148	promptly by their due date,	210
The Managers shall arrange for the supply of provisions.	149	6.3 the Owners' Insurances name the Managers and, subject	211
3.8 Bunkering (only applicable if agreed according to Box 12)	150	to underwriters' agreement, any third party designated by the	212
The Managers-Owners shall arrange for the provision of bunker fuel	151	Managers as a joint assured, with full cover, with the Owners	213
of the		obtaining cover in respect of each of the insurances specified in	214
quality specified by the Owners suitable for the type of the Vessel's	152	sub-clause 6.1;	215
engine as required for the Vessel's trade.		(i) on terms whereby the Managers and any such third party	216
4. Managers' Obligations	153	are liable in respect of premiums or calls arising in connection	217
4.1 The Managers undertake to use their best endeavours to	154	with the Owners' Insurances; or	218
provide the agreed Management Services as agents for and on	155	(ii) if reasonably obtainable, on terms such that neither the	219
behalf of the Owners in accordance with sound ship management	156	Managers nor any such third party shall be under any	220
practice and to protect and promote the interests of the Owners in	157	liability in respect of premiums or calls arising in connection	221
all matters relating to the provision of services hereunder.	158	with the Owners' Insurances; or	222
Provided, however, that the Managers in the performance of their	159	(iii) on such other terms as may be agreed in writing.	223
management responsibilities under this Agreement shall be entitled	160	<i>Indicate alternative (i), (ii) or (iii) in Box 14. If Box 14 is left</i>	224
to have regard to their overall responsibility in relation to all vessels	161	<i>blank then (i) applies.</i>	225
as may from time to time be entrusted to their management and	162	6.4 written evidence is provided, to the reasonable satisfaction	226
in particular, but without prejudice to the generality of the foregoing,	163	of the Managers, of their compliance with their obligations under	227
the Managers shall be entitled to allocate available supplies,	164	Clause 6 within a reasonable time of the commencement of	228
manpower and services in such manner as in the prevailing	165	the Agreement, and of each renewal date and, if specifically	229
circumstances the Managers in their absolute discretion consider	166	requested, of each payment date of the Owners' Insurances.	230
to be fair and reasonable.	167	7. Income Collected and Expenses Paid on Behalf of Owners	231
4.2 Where the Managers are providing Technical Management	168	7.1 All moneys collected by the Managers under the terms of	232
in accordance with sub-clause 3.2, they shall procure that the	169	this Agreement (other than moneys payable by the Owners to	233
requirements of the law of the flag of the Vessel are satisfied and	170	the Managers) and any interest thereon shall be held to the	234
they shall in particular be deemed to be the "Company" as defined	171	credit of the Owners in a separate bank account.	235
by the ISM Code, assuming the responsibility for the operation of	172	7.2 All expenses incurred by the Managers under the terms	236
the Vessel and taking over the duties and responsibilities imposed	173	of this Agreement on behalf of the Owners (including expenses	237
by the ISM Code when applicable.	174	as provided in Clause 8) may be debited against the Owners	238
5. Owners' Obligations	175	in the account referred to under sub-clause 7.1 but shall in any	239
5.1 The Owners shall pay all sums due to the Managers punctually	176	event remain payable by the Owners to the Managers on	240
in accordance with the terms of this Agreement.	177	demand.	241
5.2 Where the Managers are providing Technical Management	178	8. Management Fee	242
in accordance with sub-clause 3.2, the Owners shall:	179	8.1 The Owners shall pay to the Managers for their services	243
(i) procure that all officers and ratings supplied by them or on	180	as Managers under this Agreement an annual management	244
their behalf comply with the requirements of STCW 95;	181	fee as stated in Box 15 which shall be payable by equal	245
(ii) instruct such officers and ratings to obey all reasonable orders	182	Monthly - instalments in advance, the first instalment being	246
of the Managers in connection with the operation of the	183	payable on the commencement of this Agreement (see Clause	247
Managers' safety management system.	184	2 and Box 4) and subsequent instalments being payable every	248
5.3 Where the Managers are not providing Technical Management	185	month.	249
in accordance with sub-clause 3.2, the Owners shall procure that	186	8.2 The management fee shall be subject to an annual review	250
the requirements of the law of the flag of the Vessel are satisfied	187	on the anniversary date of the Agreement and the proposed	251
and that they, or such other entity as may be appointed by them	188	fee shall be presented in the annual budget referred to in sub-	252
and identified to the Managers, shall be deemed to be the	189	clause 9.1.	253
"Company" as defined by the ISM Code assuming the responsibility	190	8.3 The Managers shall, at no extra cost to the Owners, provide	254
for the operation of the Vessel and taking over the duties and	191	their own office accommodation, office staff, facilities and	255
		stationary. Without limiting the generality of Clause 7 the Owners	256

This document is a computer generated SHIPMAN 98 form printed by authority of BIMCO. Any insertion or deletion to the form must be clearly visible. In the event of any modification made to the printed text of this document which is not clearly visible, the text of the original BIMCO approved document shall apply. BIMCO assumes no responsibility for any loss, damage or expense as a result of discrepancies between the original BIMCO approved document and this computer generated document.

PART II

"SHIPMAN 98" Standard Ship Management Agreement

shall reimburse the Managers for postage and communication expenses, travelling expenses, and other out of pocket expenses properly incurred by the Managers in pursuance of the Management Services.	257	10. Managers' Right to Sub-Contract	318
8.4 In the event of the appointment of the Managers being terminated by the Owners or the Managers in accordance with the provisions of Clauses 17 and 18 other than by reason of default by the Managers, or if the Vessel is lost, sold or otherwise disposed of, the "management fee" payable to the Managers according to the provisions of sub-clause 8.1, shall continue to be payable for a further period of three calendar months as from the termination date, in addition, provided that the Managers provide Crew for the Vessel in accordance with sub-clause 3.1:	258 259 260 261 262 263 264 265 266 267	The Managers shall not have the right to sub-contract any of their obligations hereunder, including those mentioned in sub-clause 3.1, without the prior written consent of the Owners which shall not be unreasonably withheld. In the event of such a sub-contract the Managers shall remain fully liable for the due performance of their obligations under this Agreement.	319 320 321 322 323 324
(i) the Owners shall continue to pay Crew Support Costs during the said further period of three calendar months and	268		
(ii) the Owners shall pay an equitable proportion of anyall Sovereign Costs which may materialize are actually incurred, not exceeding	269 270 271 272 273 274	11. Responsibilities	325
the amount stated in Box 18.	275	11.1 Force Majeure - Neither the Owners nor the Managers shall be under any liability for any failure to perform any of their obligations hereunder by reason of any cause whatsoever of any nature or kind beyond their reasonable control.	326 327 328 329
8.5 If the Owners decide to lay-up the Vessel whilst this Agreement remains in force and such lay-up lasts for more than three months, an appropriate reduction of the management fee for the period exceeding three months until one month before the Vessel is again put into service shall be mutually agreed between the parties.	276 277 278 279 280 281	11.2 Liability to Owners - (i) Without prejudice to sub-clause 11.1, the Managers shall be under no liability whatsoever to the Owners for any loss, damage, delay or expense of whatsoever nature, whether direct or indirect, (including but not limited to loss of profit arising out of or in connection with detention of or delay to the Vessel) and howsoever arising in the course of performance of the Management Services UNLESS same is proved to have resulted solely from the negligence, gross negligence or wilful default of the Managers or their employees, or agents or sub-contractors employed by them in connection with the Vessel, in which case (save where loss, damage, delay or expense has resulted from the Managers' personal act or omission committed with the intent to cause same or recklessly and with knowledge that such loss, damage, delay or expense would probably result) the Managers' liability for each incident or series of incidents giving rise to a claim or claims shall never exceed a total of ten-times the annual management fee payable hereunder.	330 331 332 333 334 335 336 337 338 339 340 341 342 343 344 345 346 347
8.6 Unless otherwise agreed in writing all discounts and commissions obtained by the Managers in the course of the management of the Vessel shall be credited to the Owners.	282 283 284	(ii) Notwithstanding anything that may appear to the contrary in this Agreement, the Managers shall not be liable for any of the actions of the Crew, even if such actions are negligent, grossly negligent or wilful, except only to the extent that they are shown to have resulted from a failure by the Managers to discharge their obligations under sub-clause 3.1, in which case their liability shall be limited in accordance with the terms of this Clause 11.	348 349 350 351 352 353 354 355
9. Budgets and Management of Funds	285	11.3 Indemnity - Except to the extent and solely for the amount therein set out that the Managers would be liable under sub-clause 11.2, the Owners hereby undertake to keep the Managers and their employees, agents and sub-contractors indemnified and to hold them harmless against all actions, proceedings, claims, demands or liabilities whatsoever or howsoever arising which may be brought against them or incurred or suffered by them arising out of or in connection with the performance of the Agreement, and against and in respect of all costs, losses, damages and expenses (including legal costs and expenses on a full indemnity basis) which the Managers may suffer or incur (either directly or indirectly) in the course of the performance of this Agreement.	356 357 358 359 360 361 362 363 364 365 366 367
9.1 The Managers shall present to the Owners annually a budget for the following twelve months in such form as the Owners require. The budget for the first year hereof is set out in Annex "C" hereto. Subsequent annual budgets shall be prepared by the Managers and submitted to the Owners not less than three months before the anniversary date of the commencement of this Agreement (see Clause 2 and Box 4).	286 287 288 289 290 291 292	11.4 "Himalaya" - It is hereby expressly agreed that no employee or agent of the Managers (including every sub-contractor from time to time employed by the Managers) shall in any circumstances whatsoever be under any liability whatsoever to the Owners for any loss, damage or delay of whatsoever kind arising or resulting directly or indirectly from any act, neglect or default on his part while acting in the course of or in connection with his employment and, without prejudice to the generality of the foregoing provisions in this Clause 11, every exemption, limitation, condition and liberty herein contained and every right, exemption from liability, defence and immunity of whatsoever nature applicable to the Managers or to which the Managers are entitled hereunder shall also be available and shall extend to protect every such employee or agent of the Managers acting as aforesaid and for the purpose of all the foregoing provisions of this Clause 11 the Managers are or shall be deemed to be acting as agent or trustee on behalf of and for the benefit of all	368 369 370 371 372 373 374 375 376 377 378 379 380 381 382 383 384
9.2 The Owners shall indicate to the Managers their acceptance and approval of the annual budget within one month-week of presentation and in the absence of any such indication the Managers shall be entitled to assume that the Owners have accepted the proposed budget.	293 294 295 296 297		
9.3 Following the agreement of the budget, the Managers shall prepare and present to the Owners their estimate of the working capital requirement of the Vessel and the Managers shall each month up-date this estimate. The Owners shall provide an amount of US\$250,000 to the Managers for the working capital requirements of the vessel, which amount to be deposited in the Managers' account. Based thereon, the Managers shall each month request the Owners in writing for the funds required to make up any deficit of the US\$250,000 working capital deposit, as when required,	298 299 300 301 302		
to run the Vessel for the ensuing month, including the payment of any occasional or extraordinary item of expenditure, such as emergency repair costs, additional insurance premiums, bunkers or provisions. Such funds shall be received by the Managers within ten running three banking days days after the receipt by the Owners of the	303 304 305 306 307		
Managers' written or fax or telex or e-mail request and shall be held to the credit of the	308		
Owners in a separate bank account.	309		
9.4 The Managers shall produce a comparison between budgeted and actual income and expenditure of the Vessel in such form as required by the Owners monthly or at such other intervals as mutually agreed.	310 311 312 313		
9.5 Notwithstanding anything contained herein to the contrary, the Managers shall in no circumstances be required to use or commit their own funds to finance the provision of the Management Services.	314 315 316 317		

PART II

"SHIPMAN 98" Standard Ship Management Agreement

persons who are or might be their servants or agents from time to time (including sub-contractors as aforesaid) and all such persons shall to this extent be or be deemed to be parties to this Agreement.	385 386 387 388	owners of any associated vessel, details of which are listed in Annex "D", shall not have been received in the Managers' nominated account within ten-five running days of receipt by the Owners of the Managers written request or if the Vessel is repossessed by the Mortgagees.	445 446 447 448 449
12. Documentation	389	(ii) If the Owners:	450
Where the Managers are providing Technical Management in accordance with sub-clause 3.2 and/or Crew Management in accordance with sub-clause 3.1, they shall make available, upon Owners' request, all documentation and records related to the Safety Management System (SMS) and/or the Crew which the Owners need in order to demonstrate compliance with the ISM Code and STCW 95 or to defend a claim against a third party.	390 391 392 393 394 395 396 397	(a) fail to meet their obligations under sub-clauses 5.2 and 5.3 of this Agreement for any reason within their control, or	451 452 453
		(b) proceed with the employment of or continue to employ the Vessel in the carriage of contraband, blockade running, or in an unlawful trade, or on a voyage which in the reasonable opinion of the Managers is unduly hazardous or improper,	454 455 456 457 458
13. General Administration	398	the Managers may give notice of the default to the Owners, requiring them to remedy it as soon as practically possible.	459 460
13.1 The Managers shall handle and settle all claims arising out of the Management Services hereunder and keep the Owners informed regarding any incident of which the Managers become aware which gives or may give rise to claims or disputes involving third parties.	399 400 401 402 403	In the event that the Owners fail to remedy it within a reasonable time to the satisfaction of the Managers, the Managers shall be entitled to terminate the Agreement with immediate effect by notice in writing.	461 462 463 464
13.2 The Managers shall, as instructed by the Owners, bring or defend actions, suits or proceedings in connection with matters entrusted to the Managers according to this Agreement.	404 405 406	18.2 Managers' Default	465
13.3 The Managers shall also have power to obtain legal or technical or other outside expert advice in relation to the handling and settlement of claims and disputes or all other matters affecting the interests of the Owners in respect of the Vessel.	407 408 409 410	If the Managers fail to meet their obligations under Clauses 3 and 4 of this Agreement for any reason within the control of the Managers, the Owners may give notice to the Managers of the default, requiring them to remedy it as soon as practically possible. In the event that the Managers fail to remedy it within a reasonable time to the satisfaction of the Owners, the Owners shall be entitled to terminate the Agreement with immediate effect by notice in writing.	466 467 468 469 470 471 472 473
13.4 The Owners shall arrange for the provision of any necessary guarantee bond or other security.	411 412	18.3 Extraordinary Termination	474
13.5 Any costs reasonably incurred by the Managers in carrying out their obligations according to Clause 13 shall be reimbursed by the Owners.	413 414 415	This Agreement shall be deemed to be terminated in the case of the sale of the Vessel or if the Vessel becomes a total loss or is declared as a constructive or compromised or arranged total loss or is requisitioned.	475 476 477 478
14. Auditing	416	18.4 For the purpose of sub-clause 18.3 hereof	479
The Managers shall at all times maintain and keep true and correct accounts and shall make the same available for inspection and auditing by the Owners at such times as may be mutually agreed. On the termination, for whatever reasons, of this Agreement, the Managers shall release to the Owners, if so requested, the originals where possible, or otherwise certified copies, of all such accounts and all documents specifically relating to the Vessel and her operation.	417 418 419 420 421 422 423 424	(i) the date upon which the Vessel is to be treated as having been sold or otherwise disposed of shall be the date on which the Owners cease to be registered as Owners of the Vessel;	480 481 482 483
15. Inspection of Vessel	425	(ii) the Vessel shall not be deemed to be lost unless either she has become an actual total loss or agreement has been reached with her underwriters in respect of her constructive, compromised or arranged total loss or if such agreement with her underwriters is not reached it is adjudged by a competent tribunal that a constructive loss of the Vessel has occurred.	484 485 486 487 488 489 490
The Owners shall have the right at any time after giving reasonable notice to the Managers to inspect the Vessel for any reason they consider necessary.	426 427 428	18.5 This Agreement shall terminate forthwith in the event of an order being made or resolution passed for the winding up, dissolution, liquidation or bankruptcy of either party (otherwise than for the purpose of reconstruction or amalgamation) or if a receiver is appointed, or if it suspends payment, ceases to carry on business or makes any special arrangement or composition with its creditors.	491 492 493 494 495 496 497
16. Compliance with Laws and Regulations	429	18.6 The termination of this Agreement shall be without prejudice to all rights accrued due between the parties prior to the date of termination.	498 499 500
The Managers will not do or permit to be done anything which might cause any breach or infringement of the laws and regulations of the Vessel's flag, or of the places where she trades.	430 431 432		
17. Duration of the Agreement	433	19. Law and Arbitration	501
This Agreement shall come into effect on the day and year stated in Box 4 and shall continue until the date stated in Box 17.	434 435	19.1 This Agreement shall be governed by and construed in accordance with English law and any dispute arising out of or in connection with this Agreement shall be referred to arbitration in London in accordance with the Arbitration Act 1996 or any statutory modification or re-enactment thereof save to the extent necessary to give effect to the provisions of this Clause.	502 503 504 505 506 507 508
However either party to have the right to terminate this agreement by		The arbitration shall be conducted in accordance with the London Maritime Arbitrators Association (LMAA) Terms current at the time when the arbitration proceedings are commenced.	509 510 511 512
Thereafter it shall continue until terminated by either party giving to the other notice in writing, in which event the Agreement shall terminate upon the expiration of a period of two-three months from the date upon which such notice was given.	436 437 438 439		
18. Termination	440		
18.1 Owners' default	441		
(i) The Managers shall be entitled to terminate the Agreement with immediate effect by notice in writing if any moneys payable by the Owners under this Agreement and/or the	442 443 444		

This document is a computer generated SHIPMAN 98 form printed by authority of BIMCO. Any insertion or deletion to the form must be clearly visible. In the event of any modification made to the printed text of this document which is not clearly visible, the text of the original BIMCO approved document shall apply. BIMCO assumes no responsibility for any loss, damage or expense as a result of discrepancies between the original BIMCO approved document and this computer generated document.

PART II
"SHIPMAN 98" Standard Ship Management Agreement

<p>The reference shall be to three arbitrators. A party wishing to refer a dispute to arbitration shall appoint its arbitrator and send notice of such appointment in writing to the other party requiring the other party to appoint its own arbitrator within 14 calendar days of that notice and stating that it will appoint its arbitrator as sole arbitrator unless the other party appoints its own arbitrator and gives notice that it has done so within the 14 days specified. If the other party does not appoint its own arbitrator and give notice that it has done so within the 14 days specified, the party referring a dispute to arbitration may, without the requirement of any further prior notice to the other party, appoint its arbitrator as sole arbitrator and shall advise the other party accordingly. The award of a sole arbitrator shall be binding on both parties as if he had been appointed by agreement. Nothing herein shall prevent the parties agreeing in writing to vary these provisions to provide for the appointment of a sole arbitrator. In cases where neither the claim nor any counterclaim exceeds the sum of USD50,000 (or such other sum as the parties may agree) the arbitration shall be conducted in accordance with the LMAA Small Claims Procedure current at the time when the arbitration proceedings are commenced.</p> <p>19.2 This Agreement shall be governed by and construed in accordance with Title 9 of the United States Code and the Maritime Law of the United States and any dispute arising out of or in connection with this Agreement shall be referred to three persons at New York, one to be appointed by each of the parties hereto, and the third by the two so chosen; their decision or that of any two of them shall be</p>	<p>513 514 515 516 517 518 519 520 521 522 523 524 525 526 527 528 529 530 531 532 533 534 535 536 537 538 539 540 541 542</p>	<p>final, and for the purposes of enforcing any award, judgement may be entered on an award by any court of competent jurisdiction. The proceedings shall be conducted in accordance with the rules of the Society of Maritime Arbitrators, Inc.</p> <p>In cases where neither the claim nor any counterclaim exceeds the sum of USD50,000 (or such other sum as the parties may agree) the arbitration shall be conducted in accordance with the Shortened Arbitration Procedure of the Society of Maritime Arbitrators, Inc. current at the time when the arbitration proceedings are commenced.</p> <p>19.3 This Agreement shall be governed by and construed in accordance with the laws of the place mutually agreed by the parties and any dispute arising out of or in connection with this Agreement shall be referred to arbitration at a mutually agreed place, subject to the procedures applicable there.</p> <p>19.4 If Box 18 in Part I is not appropriately filled in, sub-clause 19.1 of this Clause shall apply.</p> <p>Note: 19.1, 19.2 and 19.3 are alternatives; indicate alternative agreed in Box 18.</p> <p>20. Notices</p> <p>20.1 Any notice to be given by either party to the other party shall be in writing and may be sent by fax, telex, registered or recorded mail or by personal service.</p> <p>20.2 The address of the Parties for service of such communication shall be as stated in Boxes 19 and 20, respectively.</p>	<p>543 544 545 546 547 548 549 550 551 552 553 554 555 556 557 558 559 560 561 562 563 564 565 566 567 568 569 570</p>
--	--	--	--

**ANNEX "A" (DETAILS OF VESSEL OR VESSELS) TO
THE BALTIC AND INTERNATIONAL MARITIME COUNCIL (BIMCO)
STANDARD SHIP MANAGEMENT AGREEMENT - CODE NAME: "SHIPMAN 98"**

Date of Agreement:

01/01/06

Name of Vessel(s):

MT Monte Verde

Particulars of Vessel(s):

Built: 1980, by Hitachi Zosen

Greek Flag

Registered in Andros, Greece

Call Sign: SXJZ

IMO Nr.: 7902960

Class: Bureau Veritas

GT/NT: 52,743/21,985

DWT: 86,993 MT on 12.777m

LOA: 243.5m, Beam: 42m

Printed by BIMCO's idea

**ANNEX "B" (DETAILS OF CREW) TO
THE BALTIC AND INTERNATIONAL MARITIME COUNCIL (BIMCO)
STANDARD SHIP MANAGEMENT AGREEMENT - CODE NAME: "SHIPMAN 98"**

Date of Agreement:

01/01/08

Details of Crew:

Numbers	Rank	Nationality
1	MASTER	GREEK
1	CH.OFFICER	GREEK
1	2 ND MATE	ROMANIAN
2	2 ND MATE	UKRANIAN
1	CH. ENGINEER	GREEK
1	2 ND ENGINEER	GREEK
1	3 RD ENGINEER	RUSSIAN
1	3 RD ENGINEER	GREEK
1	EL/CIAN	RUSSIAN
1	BOSUN	EGYPTIAN
1	PUMPMAN	EGYPTIAN
2	A.B.	RUSSIAN
2	A.B.	UKRANIAN
3	A.B.	ROMANIAN
1	A.B.	SRI LANKA
1	FITTER	UKRANIAN
1	OILER	RUSSIAN
2	OILER	ROMANIAN
1	WIPER	ROMANIAN
2	ASS. STEWARD	UKRANIAN
1	ASS. STEWARD	ROMANIAN
1	SUP/TRY	GREEK
1	COOK	RUSSIAN

**ANNEX "C" (BUDGET) TO
THE BALTIC AND INTERNATIONAL MARITIME COUNCIL (BIMCO)
STANDARD SHIP MANAGEMENT AGREEMENT - CODE NAME: "SHIPMAN 98"**

Date of Agreement:

01/01/06

Managers' Budget for the first year with effect from the Commencement Date of this Agreement:

CREW WAGES	\$1,100,000
MARINE INSURANCES	\$135,000
P&I AND DEFENSE	\$150,000
STORES (DECK, ENGINE, CABIN, BONDED	\$160,000
REPAIRS / MAINTENANCE	\$250,000
CREW REPLACEMENT AND OTHER EXPENSES INCLUDING MEDICAL	\$30,000
VICTUALLING	\$80,000
FLAG EXPENSES	\$35,000
SPARES	\$100,000
RADIO	\$20,000
GENERAL SUPPLY EXPENSES, OPA 90, VESSELS INSPECTIONS	\$20,000
LUBRICANTS	\$60,000
MANAGEMENT	\$250,000
UNFORSEEN	\$30,000
TOTAL	\$2,420,000

In addition to the above the Voyage expenses must be added.

P&I DEDUCTIBLES

CARGO CLAIMS	\$ 15,650.00 EACH CARGO VOYAGE
CREW ILLNESS	\$ 5,250.00 PER PORT
CREW INJURY/LOSS OF LIFE	\$ 5,250.00 PER PERSON PER PORT
ALL OTHER CLAIMS	\$ 5,250.00 ANY ONE ACCIDENT OR OCCURRENCE

FD&D DEDUCTIBLES \$ 1,000.00 EACH DISPUTE

INSURANCE POLICY COVER

H&M INSURED VALUE	\$ 10 MILLION
INCREASED VALUE	\$ 2 MILLION

DEDUCTIBLE ON H&M INS COVER (\$ 10 MILLION) \$ 125,000

VESSEL INSURED FOR WAR RISK WITH LLOYDS

H&M INSURANCE	\$ 10MILLION
INCREASED VALUE	\$ 2 MILLION

All figures about and without guarantee

Printed by BIMCO's idea